

BOARD OF TRUSTEES
Division of Public Works Retirement System
Meeting Minutes
April 26, 2016

A meeting of the Board of Trustees, Public Works Retirement System was held at 11:30 a.m. on Tuesday, April 26, 2016 in the DPW/Admin Conference Room located at 9 Riverside Street. Chairman, Frank Anderson presided.

Trustees Present: Frank Anderson, Mayoral Appointee
Paul G. Bergeron, BPW Commissioner Representative
Ben Bausha, Employee Member
Kathie Berube, Employee Member

Trustees Absent: Michael O'Brien, Aldermanic Liaison

Others in Attendance: Mary Woods, Administrative Assistant
Mr. Eric Stubbs, Senior VP, RBC Wealth Management
Mr. Enrique Jaen, RBC Wealth Management
Mr. Michael Winn, RBC Wealth Management

Expected Visitors:

Mr. Eric Stubbs from RBC Wealth Management gave an overview of the portfolio stating that the equity is a little below the benchmark but nothing unusual and that we are where we are supposed to be quarter to quarter. It was noted that on the fixed income side the bonds portfolio is very secure at an "A" credit rating or better. As far as what's going on in the world, he mentioned that the US is negotiating a trade agreement with Europe as we speak. It is called the TTIP Agreement. The oversupply in oil means that prices may go up. The FED is not in a hurry to raise interest rates. It's supply & demand. Chances are low for interest rates to go up. Trustee Anderson asked about our bonds that are coming due and also on the equity on benchmark. He also asked about the "Investment Policy". Trustee Bergeron asked if 60% of the bonds will mature in less than three years. RBC said generally you would really want your maturity at 8 or 9 years. It was mentioned that we will have Mr. Fredette send RBC a new Investment Policy.

Mr. Enrique Jaen presented on the Retirement Fund Plan Design. For future enrollees, there are seven different options. One is changing options for people having 10-20 yrs. of service. Currently they receive a lump sum and receive only their

portion of the contribution. This is the one that was agreed upon to explore which will give the retirees having 10-20 yrs. of service their contribution plus the City's portion. Also discussed was the option of boosting the contribution a little bit. Page 7 of the handout discusses the different options. It was suggested that they look at other plans and see what they are doing. There is a summary of the options on Page 9 of handout. Trustee Anderson mentioned the fact that this will have to be looked at thoroughly before it can be presented to the City for consideration.

It was stated that the two year Actuarial Report will be coming in June. Trustee Anderson asked about the net return of 7.5%. Mr. Stubbs replied that we are on the conservative side of average. He thinks we will go back to decent growth in the country and 7 or 8% won't be an unreasonable number.

Trustee Anderson will email Mr. Fredette about getting RBC a current Investment Policy. Trustee Anderson would also like a Year End Report for the Fiscal Year ending in June.

Minutes of the Meeting:

The minutes of the March 29, 2016 meeting were presented for review and acceptance.

MOTION BY: Trustee, Frank Anderson moved to accept, place on file, and approve the minutes of the March 29, 2016.

SECONDED BY: Trustee, Paul Bergeron

MOTION CARRIED: Unanimously

DISCUSSION:

Personnel:

None

Old Business:

Trustee Anderson mentioned the Software Conversion Committee for management of Retirement System and would like this item to be placed on next month's agenda for discussion.

New Business:

Approval of the current disbursement of funds for the period of March 1, 2016, thru March 31, 2016 in the amount of \$272,078.67 was presented to the Board. The Trustees reviewed the detail.

MOTION BY: Trustee, Paul Bergeron moved to approve the current disbursement of funds for the period of March 1, 2016, thru March 31, 2016 in the amount of \$272,078.67

SECONDED BY: Trustee, Ben Bausha

MOTION CARRIED: Unanimously

DISCUSSION: Trustee Bausha asked a question about the amount of the weekly benefit changing in week ending 3/18/16 with a difference of \$99.61. Trustee Anderson explained it was because of the passing of one recipient.

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Approval of the Contingent Annuitant Retirement letter between the two draft letters received from Mr. Fredette to Trustees as to what language is preferred.

MOTION BY: Trustee, Frank Anderson on the approval of the Contingent Annuitant Retirement letter.

SECONDED BY: NONE

MOTION CARRIED: Tabled until May Meeting

DISCUSSION: Trustee Bergeron likes the one with the small font because he feels that it is a little clearer & warmer. Trustee Bausha asked if this could be used if you were a widow or widower and leave a surviving son or daughter as beneficiary. Trustee Anderson said it had to be a spouse. Trustee Berube thinks it could be anyone. Trustee Anderson thinks that as part of the annuity law it has to be a spouse. It was agreed that they would hold off on a decision of the wording of the letter until at which time clarification can be made on the terminology used. April 20th letter was agreed upon pending a discussion with Mr. Fredette.

Period for Public Comment:

None

Items by the Trustees:

None

Next meeting is set for Tuesday, May 24, 2016.

MOTION TO ADJOURN: Trustee, Frank Anderson moved to adjourn at 12:35pm.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

Minutes Transcribed by: Mary Woods